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5
6 Public Hearing
7 September 9, 2008
8 Warrensburg and Parkville, Missouri

9
10 Volume 3

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12

13 Case No. WR-2008-0311

14 In The Matter of Missouri-American Water Company's
15 Request for Authority to Implement a General Rate
16 Increase for Water and Sewer Service Provided in
Missouri Service Areas

17 KENNARD JONES, Presiding,
18 SENIOR REGULATORY LAW JUDGE
19 ROBERT M. CLAYTON, III,
TERRY JARRETT,
20 COMMISSIONERS

21
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3 John Reichert

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5 Christina Baker

6 Public Service Commission General Counsel:

6 Jennifer Hernandez

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1 P R O C E E D I N G S

2 JUDGE JONES: Let's go ahead with Case
3 No. WR-2008-0311. This is local public hearing for
4 Missouri-American Water and Sewer's request for rate
5 increases.

6 First, I want to know where the court
7 reporter is located. Are you in Parkville or
8 Warrensburg?

9 MS. KREMER: Judge, she's in Parkville.

10 JUDGE JONES: Can you repeat that.

11 MS. KREMER: She's in Parkville.

12 JUDGE JONES: Okay. Thank you. And,
13 also, I'd like to go ahead and take the list of
14 persons in Parkville at this time that intend to
15 give testimony.

16 MS. KREMER: Judge, would you like that
17 entire list?

18 JUDGE JONES: How many people are on
19 it?

20 MS. KREMER: Nine.

21 JUDGE JONES: Yes.

22 MS. KREMER: Pat Wessol, W-e-s-s-o-l;
23 Marty Perren, P-e-r-r-e-n.

24 MR. PERREA: It's e-a.

25 MS. KREMER: I'm sorry, e-a.

1 P-e-r-r-e-a. Mike Fuller, F-u-l-l-e-r.

2 MR. WHEELER: Miss, I am going to defer

3 my comments to Mike. I didn't know he was here. I

4 signed up right under Mike Fuller.

5 MS. KREMER: You are Mr. Wheeler?

6 MR. WHEELER: Yes.

7 MS. KREMER: We will take you off, Mr.

8 Wheeler.

9 Tom Thomas; Larry Dreiling,

10 D-r-e-i-l-i-n-g; Brian Guthrie, G-u-t-h-r-i-e;

11 Virginia Ground, G-r-o-u-n-d; and I am not sure of

12 the last person, John --

13 MR. SMEDLEY: Smedley.

14 MS. KREMER: Can you spell that, sir.

15 MR. SMEDLEY: S-m-e-d-l-e-y.

16 MS. KREMER: S-m-e-d-l-e-y.

17 MR. BLOUNT: Lisa, I would like to add

18 my name to the list.

19 MS. KREMER: Okay, sir. What is your

20 name?

21 MR. BLOUNT: First name is Joe, last

22 name is Blount.

23 MS. KREMER: B-l-o-u-n-t?

24 MR. BLOUNT: That's correct.

25 MS. KREMER: Did you hear that, Judge?

1 Judge, I am not hearing you. We must
2 have lost the connection.

3 JUDGE JONES: Can you hear me now?

4 MS. KREMER: Yes, sir.

5 JUDGE JONES: Is there someone in
6 Warrensburg who has a list I can take.

7 MR. RUSSO: Yes, Judge, we have four.
8 We have Natalie Halpin, H-a-l-p-i-n; Chris Lowe; Bob
9 Horning; and Barbara Chasar, C-h-a-s-a-r.

10 JUDGE JONES: Okay. My name is Kennard
11 Jones, I am the administrative law judge presiding
12 over this matter. Also here with me this evening is
13 Commissioner Robert Clayton and Commissioner Terry
14 Jarrett.

15 Mr. Clayton, would you like to make any
16 opening remarks?

17 MR. COMMISSIONER CLAYTON: No.

18 JUDGE JONES: Commissioner Jarrett,
19 would you like to make any opening remarks?

20 COMMISSIONER JARRETT: Yes. Thank you.
21 I just would like to say a special hello to the
22 folks in Warrensburg. I am a proud alumni of the
23 University of Central Missouri, Class of '82, and
24 I'm sorry I couldn't join you there on campus this
25 evening, but I am glad to be able to join you by a

1 webcast, and I look forward to your testimony.

2 JUDGE JONES: Thank you, Commissioner.

3 At this time, we will take entries of
4 appearances beginning with Missouri-American Water.

5 MR. ENGLAND: Thank you, Your Honor.

6 Let the record reflect the appearance of W.R.

7 England and John Reichert on behalf of

8 Missouri-American Water Company.

9 JUDGE JONES: Thank you. And from the
10 Office of the Public Counsel.

11 MS. BAKER: Thank you, Your Honor.

12 Christina Baker, P.O. Box 2230, Jefferson City,
13 Missouri, 65102, appearing on behalf of the Office
14 of the Public Counsel and the rate payers.

15 JUDGE JONES: Thank you, Ms. Baker.

16 And from the staff of the Commission General
17 Counsel.

18 MS. HERNANDEZ: Jennifer Hernandez on
19 behalf of staff.

20 JUDGE JONES: Are there any other
21 parties represented here this evening?

22 Okay. I don't hear any.

23 What we will do is first start with Pat
24 Wessol. We will have Pat Wessol come to the podium,
25 be sworn in, make a statement, and then take the

1 questions, if there are any, from the commissioners
2 or from the parties. And then we will move over to
3 Warrensburg, and go back and forth. So, if we could
4 have Pat Wessol please approach the podium from
5 Parkville.

6 Can you please raise your right hand.

7 PAT WESSOL,
8 being first duly sworn, testified under oath as follows:

9 JUDGE JONES: Thank you. You may
10 proceed with your statements.

11 MS. WESSOL: As a representative of
12 Public Water Supply District No. 6, and a resale
13 customer of Missouri-American Water Company, I
14 strongly object to the company and staff's proposal
15 of abolishing the current rate designed structure
16 whereby all water users pay the same cost for a
17 gallon of water.

18 According to my research,
19 Missouri-American Water Company is asking for a 36
20 percent increase. And even worse, staff is
21 recommending a 50 percent increase. Why? District
22 No. 6 is a resale customer. We maintain and repair
23 our own system, maintain a 500,000-gallon water
24 tower, do our own billing, and provide our customers
25 with personalized customer service.

1 Missouri-American Water Company provides us with the
2 water, the same quality water that they provide for
3 their residential customers, their commercial,
4 industrial, and public authority customers. So why
5 should there be such a wide disparity in the rates
6 each of us are asked to pay -- excuse me -- for a
7 gallon of water? If anything, since District 6 is a
8 self-managing system, our resale rate should be
9 decreased. But I am not advocating that, I am
10 merely questioning -- requesting all parties
11 involved with this rate negotiation eventually
12 charge a fair and equitable price for the water
13 and/or services each of us receive.

14 Last October, the company was granted a
15 20-percent rate increase for its resale customers.
16 And, unfortunately, we had to pass this on to our
17 customers. The term "rate shock" came to mind, but
18 we accepted it and moved on. We put our district
19 improvements on hold. But now, just six months
20 later, with serious talk of an additional 36 or even
21 50 percent rate increase for the resale customer,
22 the term "price gouging" would be more accurate.
23 Again, I ask why?

24 What is Missouri-American Water Company
25 doing for us other than supplying the water, the

1 same water they have always given us? I urge you,
2 no, I beg you, please deny the rate restructuring
3 changes and this price gouging rate increase. Thank
4 you.

5 (Applause.)

6 JUDGE JONES: Well, let me just go
7 ahead and say this now. I realize that some people
8 may make statements that you agree with, but
9 applauding will serve no end. It will just keep us
10 here until later this evening, and we have a lot of
11 people that want to talk. If you agree with what
12 someone says, you know, a "here, here" might be
13 better than applauding.

14 So, Ms. Wessol, if you can please
15 return to the podium to take questions from the
16 commissioners, I would appreciate it.

17 MS. WESSOL: I'm here.

18 JUDGE JONES: Commissioner Clayton.

19 COMMISSIONER CLAYTON: Ms. Wessol, my
20 name is Robert Clayton, I am one of the five members
21 of the Public Service Commission. Can you hear me?

22 THE WITNESS: Yes, uh-huh.

23 COMMISSIONER CLAYTON: Okay. Good.

24 First of all, I want to thank you for your comments,
25 and I wanted to ask you a few clarifying questions.

1 First of all, did you state that you
2 were a customer of Water District No. 6, or that you
3 are an officer or employee of Water District No. 6?

4 MS. WESSOL: I am representing Water
5 District No. 6, which is a resale customer of
6 Missouri-American.

7 COMMISSIONER CLAYTON: I understand.
8 So, are you employed by the District?

9 MS. WESSOL: Yes, I am.

10 COMMISSIONER CLAYTON: You are. Okay.
11 And how long have you been employed by the District?

12 MS. WESSOL: 22 years.

13 COMMISSIONER CLAYTON: Okay. And can
14 you tell me, has either Missouri-American Water or
15 its predecessor been your supplier of wholesale
16 water?

17 MS. WESSOL: Yes, they have.

18 COMMISSIONER CLAYTON: Okay. And do
19 you know, does the -- has the Water District ever
20 received water or purchased water from any other
21 provider, that you are aware of, in its history?

22 MS. WESSOL: No. It's always been
23 Missouri-American.

24 COMMISSIONER CLAYTON: The District
25 never produced its own water or --

1 MS. WESSOL: No.

2 COMMISSIONER CLAYTON: -- cleaned its
3 own water (inaudible), anything like that?

4 MS. WESSOL: No.

5 COMMISSIONER CLAYTON: Okay. Can you
6 tell me what area makes up, generally, District 6?
7 Just generally.

8 MS. WESSOL: We've got 750 customers,
9 we are sandwiched between Parkville and Weatherby
10 Lake. We are a small residential area.

11 COMMISSIONER CLAYTON: Are you
12 satisfied with the quality of water that you
13 receive?

14 MS. WESSOL: I think the water is
15 excellent.

16 COMMISSIONER CLAYTON: Can you tell me,
17 you said that the water rates increased 20 percent
18 to your customers in Missouri American's last rate
19 case?

20 MS. WESSOL: Yes, it did.

21 COMMISSIONER CLAYTON: Can you recall
22 before that how long rates had been the same, or
23 when they had increased before that?

24 MS. WESSOL: We had --
25 Missouri-American requested a rate increase in 2003,

1 and I think that was settled in 2004. Because of
2 the restructuring of the rates, I think we received
3 a rate reduction at that time. Prior to that, in
4 2000, we had a horrendous 45 percent, I believe,
5 rate increase.

6 COMMISSIONER CLAYTON: Can you tell me
7 what the average customer would be paying per month
8 in your water district, based on 4,500 or 5,000
9 gallons?

10 MS. WESSOL: Average now is about \$30 a
11 month.

12 COMMISSIONER CLAYTON: And does that
13 include the water district's fees, as well as the
14 wholesale price of the water?

15 MS. WESSOL: Can you explain that
16 better, please.

17 COMMISSIONER CLAYTON: Well, I am
18 assuming that you have costs associated with
19 distributing the water in the system. Is that the
20 total cost, that \$30, or is that just the amount
21 that --

22 MS. WESSOL: Yeah, that's what an
23 average customer using 5,000 gallons would pay for
24 water.

25 COMMISSIONER CLAYTON: Okay. Those are

1 all the questions I have. Thank you, Ms. Wessol.

2 MS. WESSOL: Thank you.

3 COMMISSIONER JARRETT: Ms. Wessol, I
4 have a couple of questions. I just had a couple of
5 brief questions. Have you ever had an opportunity
6 or an occasion to interact with employees of
7 Missouri-American Water?

8 MS. WESSOL: Oh, yes.

9 COMMISSIONER JARRETT: Could you
10 describe your interactions. Are you satisfied with
11 the service that they are providing to you?

12 MS. WESSOL: Currently, Mr. Bellafori
13 and I are going to discuss some improvements on our
14 master meter sites. He says that's going to happen
15 sometime this month; I haven't heard from him yet.

16 COMMISSIONER JARRETT: Okay. And can
17 you kind of describe to me what some of the problems
18 are.

19 MS. WESSOL: The master meter pit is
20 very antiquated, it's a mud hole. All of our
21 telemetry stuff is in that pit. When it rains, it
22 all gets destroyed. This last spring, we spent
23 almost \$1,500 trying to get it back on line, and I
24 think that issue needs to be addressed as soon as
25 possible.

1 COMMISSIONER JARRETT: Okay. Any other
2 any other issues?

3 MS. WESSOL: Here of late, I have
4 noticed that our pressure of water coming in from
5 Missouri-American is not as great as it used to be,
6 and it takes us longer to fill our water tank.

7 Mr. Bellafori said that they have put
8 in some new pressure stabilizing equipment, so I am
9 attributing it to that. I thought at our meeting in
10 September we might discuss that, also.

11 COMMISSIONER JARRETT: Any customer
12 service issues? Are they always friendly when you
13 call, and do they try to get back to you as soon as
14 possible?

15 MS. WESSOL: Missouri-American?

16 COMMISSIONER JARRETT: Yes.

17 MS. WESSOL: They have got a telephone
18 system whereby you push a button for whoever you
19 want, and you leave a message. Sometimes your calls
20 are returned, sometimes not. I have had new
21 customers coming into the Kansas City area that have
22 had a hard time trying to get water service from
23 Missouri-American because of that, and they call me
24 thinking I can do something, but ...

25 COMMISSIONER JARRETT: Okay. Thank

1 H-a-l-p-i-n, Warrensburg, Missouri, a long time
2 resident. I am appealing to the Missouri Public
3 Service Commission, the Commission must ensure the
4 public has access to a reasonably priced utility
5 service. I represent widows on a fixed income. The
6 Kansas City Star reports KCP&L wants a 17.5
7 increase, national gas prices for heating are
8 projected to rise up to 70 percent for this winter,
9 and now Missouri-American Water wants a hike of 29
10 percent. This is all unacceptable. It's not as if
11 the water has to be piped in from the Missouri River
12 to Warrensburg, we are fortunate to have water right
13 here in the Roubidoux Aquifer.

14 Many residents of Warrensburg are
15 retired from Whiteman Air Force Base, and the
16 University of Central Missouri. Many more are
17 students at UCM. They are, many, living in rentals
18 and paying their own utilities. Windows, retirees,
19 and students, make up a very large segment of
20 Warrensburg. We are all on limited incomes. I am
21 totally opposed to this ridiculous increase.

22 Thank you.

23 JUDGE JONES: Thank you, ma'am.

24 Commissioner Clayton, do you have
25 questions?

1 COMMISSIONER CLAYTON: Thank you,
2 Judge.

3 Mrs. Halpin, can you hear me?

4 MS. HALPIN: Yes.

5 COMMISSIONER CLAYTON: Hello, my name
6 is Robert Clayton. I am one of the five members of
7 the Public Service Commission. Thank you very much
8 for coming tonight. I wanted to ask you about the
9 quality of service in Warrensburg. Can you tell me
10 about the quality of the product that comes out of
11 the tap?

12 MS. HALPIN: Everything seems to be
13 fine.

14 COMMISSIONER CLAYTON: So, no problems
15 with either pressure or smell, taste, potability,
16 anything like that?

17 MS. HALPIN: The ones of us who have
18 lived here forever have no problem with taste or
19 smell. People coming in always comment about it.

20 COMMISSIONER CLAYTON: Commenting in a
21 good way or commenting in a bad way?

22 MS. HALPIN: Not in a good way.

23 COMMISSIONER CLAYTON: Okay. Well,
24 maybe we will hear from some of those folks tonight.

25 How about your interaction with the

1 customer service department of Missouri-American;
2 are they courteous, friendly, helpful, solve
3 problems, or not?

4 MS. HALPIN: I have no contact. My
5 bill is taken off my bank statement, and that's the
6 content.

7 COMMISSIONER CLAYTON: Okay. I wanted
8 to ask: Other than just the straight out denial of
9 the rate increase that I think you suggested in your
10 comment, since you are speaking on behalf of widows
11 on fixed incomes, as you said, are there -- is there
12 anything else that the Commission should be looking
13 at in terms of making water a more affordable
14 utility?

15 MS. HALPIN: There's always the issue
16 of the sewer bill being related to the water bill,
17 which I know you have nothing to do with.

18 COMMISSIONER CLAYTON: Who is your
19 sewer provider?

20 MS. HALPIN: The City.

21 COMMISSIONER CLAYTON: Do you know what
22 the average sewer bill is per month in Warrensburg?

23 MS. HALPIN: Our city council member
24 just went out with the head of our water company in
25 Warrensburg, so he's not here to listen to all this.

1 COMMISSIONER CLAYTON: Okay. Okay.

2 Mrs. Halpin, I don't think I have any other
3 questions. Thank you very much for coming.

4 MS. HALPIN: I have been handed
5 something here. The average water -- waste water on
6 here was \$8.73 -- no, 15.92. That's with how much
7 water usage? Zero water usage, and the sewer bill
8 is 15.92. It's usually -- half of what your total
9 water bill that you pay is half sewer, half water.

10 COMMISSIONER CLAYTON: I have got a
11 sheet, here, Ms. Halpin, that says that the average
12 water bill in Warrensburg runs around 22 bucks a
13 month for 5,000 gallons worth of usage. Does that
14 sound accurate to you?

15 MS. HALPIN: Yes, because my total bill
16 is usually \$45, which means half of it's water, half
17 of it's sewer.

18 COMMISSIONER CLAYTON: Okay. Thank you
19 very much, Mrs. Halpin.

20 MS. HALPIN: Thank you.

21 JUDGE JONES: Mrs. Halpin, you can
22 remain there. Now we will have questions from
23 Commissioner Jarrett.

24 COMMISSIONER JARRETT: I don't have any
25 questions. Thank you for your testimony.

1 MS. HALPIN: Yes.

2 JUDGE JONES: Are there questions from
3 the Staff or Commission?

4 MS. HERNANDEZ: No, thank you.

5 JUDGE JONES: From the Office of Public
6 Counsel?

7 MS. BAKER: No, but I do appreciate
8 your comments very much.

9 JUDGE JONES: Or from the
10 Missouri-American Water?

11 MR. ENGLAND: No, thank you.

12 JUDGE JONES: Thank you, Ms. Halpin,
13 you may be seated.

14 Now we will hear from I believe it's
15 Joe Blount, B-l-o-u-n-t, from Parkville; is that
16 correct? Mr. Blount, would you please go to the
17 podium.

18 MR. BLOUNT: Yes, sir, that is correct.

19 I was number nine on the list, and I'd
20 be happy -- or ten, and I'd be happy to wait my turn
21 or I'm happy to go now.

22 JUDGE JONES: Don't worry about that.
23 Can you please raise your right hand.

24 JOE BLOUNT,
25 being first duly sworn, testified under oath as follows:

1 JUDGE JONES: Thank you, sir. Will you
2 please state your name and spell it, and give us
3 your testimony.

4 MR. BLOUNT: My name is Joe Blount.
5 Blount is spelled B-l-o-u-n-t, as in Tom.

6 JUDGE JONES: We can't hear you very
7 well, and I realize it's because you are trying to
8 look at the monitor as you speak. There's probably
9 a camera in front of you, that it would be easier
10 for you to speak in the microphone and look at it at
11 the same time.

12 MR. BLOUNT: I live in a community
13 called Walnut Creek, and we've had a number of
14 communications related to the water bill statement
15 that came around. In the statement, it stated that
16 the company was requesting a 26 percent increase in
17 overall revenues. This evening I came with a number
18 of questions to ask, and I heard, I believe his name
19 was Kevin Kelly, or perhaps it was Attorney Edwards,
20 I didn't quite hear his name, said that it was 33
21 percent increase that was being requested. And then
22 the lady in Warrensburg, I believe her name was
23 Halpin, said she had an article saying it was a 29
24 percent increase. These different numbers are very
25 confusing.

1 And the majority of questions that we
2 received in our community were to understand what
3 was going on and not be confused by it. I believe
4 it was Mr. Kelly, again, who said that there was a
5 request for \$48 million, which staff was
6 recommending be cut to 20-some million. I don't
7 remember the exact amount. It's not clear to me
8 whether any of these three percentages -- 29, 26 or
9 33 -- refer to the 48 million request, or whether
10 they refer to the 20-some million recommendation of
11 staff.

12 Earlier, a question was brought up of
13 what is the justification for this, and tonight I
14 did not hear any answer for the justification of
15 that.

16 In our area, we've had very few
17 problems or reasons for changes in operating
18 expenses. We had one water main break, which the
19 water company promptly repaired and advised us to
20 boil our water for an appropriate period afterwards,
21 and we're thankful for the good work that they do.
22 However, the justification for an increase is not
23 apparent to the neighborhood.

24 There are -- there have been problems
25 in billing in which they will report a certain

1 amount of consumption one month, and a later month
2 they will report a different amount. When they
3 report to the sewer district, which bills
4 separately, the amount they put down as usage does
5 not agree with the amount that was reported on the
6 previous bills month by month. We've never
7 understood why there are these inconsistencies in
8 recordkeeping.

9 If I were to sum up the comments we
10 got, I guess the simplest way to sum it up would be
11 to say, What Arab country has raised the cost of
12 water to Missouri-American by 300 percent justifying
13 their raising the cost to us by this amount?

14 I will stop there.

15 JUDGE JONES: Thank you. Commissioner
16 Clayton, do you have questions?

17 COMMISSIONER CLAYTON: Thank you,
18 Judge.

19 Mr. Blount, thank you very much for
20 coming tonight. Can you hear me?

21 MR. BLOUNT: Yes, sir, I can. Go
22 ahead.

23 COMMISSIONER CLAYTON: I wanted to
24 explore some of the concerns you raised with regard
25 to billing. You suggested that the quantities of

1 usage were not matching up on a monthly basis or
2 they were not matching up in the bills that you
3 received, and that, perhaps, there were different
4 numbers that were being reported to the sewer
5 district.

6 Now, first of all, did I hear that
7 information accurately?

8 MR. BLOUNT: Your summary is entirely
9 correct.

10 COMMISSIONER CLAYTON: Okay. How long
11 have these problems in billing been going on?

12 MR. BLOUNT: At least six years.

13 COMMISSIONER CLAYTON: And have you
14 raised a complaint with the water company?

15 MR. BLOUNT: I have, and also with the
16 sewer district.

17 COMMISSIONER CLAYTON: Okay. And what
18 type of interaction have you had with the company?
19 Are you satisfied with the communications you've had
20 with them? Are you satisfied with the customer
21 service, or not?

22 MR. BLOUNT: The result has been that
23 the water company has made mistakes and has gone
24 back to the original monthly billing and reported
25 that to the sewer district.

1 COMMISSIONER CLAYTON: Can I take from
2 your answer that you're unsatisfied with your
3 interaction with the company?

4 MR. BLOUNT: Correct. I am unsatisfied
5 because one error is all right, two errors are all
6 right, but continuing repeated errors require an
7 explanation.

8 COMMISSIONER CLAYTON: Aside from the
9 problems at billing and these problems in customer
10 service, I wanted to ask you about the quality of
11 the product: Does it work, do you get good
12 pressure, good taste, smell?

13 MR. BLOUNT: There are areas that have
14 good pressure, and there are areas that have bad
15 pressure, and they're --

16 COMMISSIONER CLAYTON: Let's talk --
17 when you say "areas," do you mean beyond your house?

18 MR. BLOUNT: I am speaking for the
19 neighborhood of 600 homes. And there are homes that
20 have very high, very good pressure, and there are
21 homes that repeatedly turn in complaints about low
22 pressure.

23 COMMISSIONER CLAYTON: Well, Mr.
24 Blount, I am going to urge you to speak with any of
25 the Public Service Commission staff that are there

1 to try to address these problems in billing. I
2 think it's going to take additional work to get to
3 the heart of that issue, and I think I am going to
4 stop there. I don't think I have any other
5 questions. So, I thank you for coming out.

6 JUDGE JONES: Commissioner Jarrett.

7 COMMISSIONER JARRETT: Yes, sir. This
8 is Terry Jarrett, and I want to also let you know
9 that you can talk to staff, as well. Some of the
10 confusion may be in what the rate increase is for
11 your area; they might be able to explain it to you
12 in a little more detail. But I thank you for your
13 comments and your testimony tonight.

14 JUDGE JONES: Do we have any questions
15 from the parties?

16 MS. HERNANDEZ: No, thank you.

17 JUDGE JONES: Mrs. Baker?

18 MS. BAKER: No, Your Honor, but thank
19 you for coming today.

20 JUDGE JONES: Thank you. And now we
21 will move to Warrensburg and hear from Chris Lowe.

22 CHRIS LOWE,
23 being first duly sworn, testified under oath as follows:

24 JUDGE JONES: Will you please state and
25 spell your name for us, and we will take your

1 statement.

2 MR. LOWE: My name is Chris Lowe,
3 L-o-w-e, I am the assistant to the city manager for
4 the City of Warrensburg. I wanted to thank the
5 Commission members for taking the testimony from our
6 citizens, and appreciate the opportunity to address
7 you, as well.

8 We had just received the cost of
9 survey -- or cost of study survey, and we will
10 reserve comment, and appreciate your analysis of the
11 findings in that survey. This is the conclusion of
12 the comments that I had for the City of Warrensburg.

13 JUDGE JONES: Thank you. Commissioner
14 Clayton.

15 COMMISSIONER CLAYTON: Just very
16 quickly, Mr. Lowe. I wanted to ask you, the City of
17 Warrensburg provides the sewer service to its
18 citizens; is that correct?

19 MR. LOWE: That is correct.

20 COMMISSIONER CLAYTON: So, you've had
21 some interaction with Missouri-American Water. I
22 wanted to ask if you were satisfied with the
23 interaction that you've had with the company, and in
24 doing your billing and resolving any other issues
25 between the two utilities?

1 MR. LOWE: My experience in the last
2 year, yes, we are satisfied.

3 COMMISSIONER CLAYTON: Okay. And
4 earlier Ms. Halpin suggested that the rate for sewer
5 service in Warrensburg was around 15.92 a month for
6 zero usage. I am assuming there's going to be a
7 usage charge in addition to that for quantity.
8 Would you say that's accurate?

9 MR. LOWE: There is a cost for the
10 connection, regardless of how much usage is
11 calculated.

12 COMMISSIONER CLAYTON: Okay. And your
13 citizens, you think, are satisfied with the quality
14 of service? Is the water good, I guess is what I am
15 asking.

16 MR. LOWE: I don't feel comfortable
17 issuing an opinion on that.

18 COMMISSIONER CLAYTON: Are you a
19 customer of Missouri-American?

20 MR. LOWE: I am.

21 COMMISSIONER CLAYTON: Do you like the
22 quality of the water as a customer?

23 MR. LOWE: I do.

24 COMMISSIONER CLAYTON: That's good
25 enough. Thanks.

1 JUDGE JONES: Commissioner Jarrett.

2 COMMISSIONER JARRETT: I have no
3 questions. Thank you.

4 JUDGE JONES: Any questions from any of
5 the parties?

6 MS. HERNANDEZ: No, Your Honor.

7 JUDGE JONES: Seeing none, we will move
8 on.

9 Thank you, Mr. Lowe, you may be seated.

10 Is there someone in Parkville named
11 Mark? I didn't catch the last name earlier. So, if
12 you could please come to the podium.

13 MR. PERREA: Hi. It's Marty Perrea,
14 P-e-r-r-e-a.

15 JUDGE JONES: Did you say Marty? Did
16 you say Marty?

17 MR. PERREA: That is correct.

18 JUDGE JONES: And P-e-r-r-e-a?

19 MR. PERREA: Yes.

20 JUDGE JONES: Okay. Thank you, sir.
21 Will you please raise your right hand.

22 MARTY PERREA,
23 being first duly sworn, testified under oath as follows:

24 JUDGE JONES: Thank you. You may
25 proceed with your testimony.

1 MR. PERREA: Well, I don't have any
2 prepared remarks tonight. I really didn't expect
3 this much of a turnout, and I am proud of our
4 community for coming out. This is what we need more
5 of, not just in Parkville, but in Platte County and
6 Missouri and in America.

7 A couple of things concerned me when I
8 got this notice, and I don't usually show up for
9 public meetings, but I came tonight because
10 33-and-a-third percent is a whopping increase. And
11 it was shocking to me to learn that they had also
12 received a 20 percent increase less than 12 months
13 ago. And I come here wearing a couple of different
14 hats. Like a lot of people, we're struggling. I am
15 working two jobs now, and I don't even have any
16 children. We have a two-person household with two
17 Labradors. And my wife and I just received our last
18 bill, it's \$135.92. We do water our yard, but it
19 just strikes me that that's an inordinate amount of
20 money for something that's very basic.

21 And I was reading through the
22 information proposal, and a couple of things struck
23 me. They put our present rate, combined sewer usage
24 and water usage, at \$9.62 a month here in Parkville.
25 I think I have one bill out of the last 12 months

1 that's even close to that. And the proposal is
2 113.90, for combined sewer and water usage. I am
3 already paying more than that.

4 The other hat that I wear is I am a
5 realtor, and I think that Parkville is a wonderful
6 place to live, Platte County is a great place to
7 live, but, you know, utilities factor into what
8 people consider as far as their cost of living when
9 they move somewhere. And Platte County is
10 struggling, like a lot of places in real estate, and
11 I don't think that an increase in utility costs is
12 going to be a good thing for people who are looking
13 to move here or to sell their homes here.

14 So I just come to you and I flatly
15 oppose an increase in rates for Missouri-American
16 Water Company. I am satisfied that they provide a
17 good product, but I think that that's a given. And
18 furthermore, I think our Public Utility Commission
19 needs to represent us, the consumers, the end users,
20 the people that are out here breaking our backs,
21 7:30 to 7:30, trying to pay our bills. And I just
22 urge you to put yourself in our shoes and think
23 about what another 20- or \$30 a month means to me.
24 And that's all I have.

25 AUDIENCE: Here, here.

1 JUDGE JONES: Commission Clayton, do
2 you have questions?

3 COMMISSIONER CLAYTON: I do, Judge.

4 Thank you very much. Thank you for
5 coming. Is it Mr. Perrea?

6 MR. PERREA: Correct.

7 COMMISSIONER CLAYTON: Okay. First of
8 all, I want to ask you, your residence is within the
9 city limits of Parkville, I guess?

10 MR. PERREA: It is.

11 COMMISSIONER CLAYTON: And you said
12 your last bill was for 135.92, and that's for both
13 the water and the sewer service?

14 MR. PERREA: That's correct. And the
15 sewer makes up a large part of it. One of the
16 things that disconcerts me is that they charge me to
17 dispose of the water that I water my yard with, and
18 I don't have any choice about that.

19 COMMISSIONER CLAYTON: Does -- this may
20 be something that you should ask the staff or the
21 representatives from Missouri-American there
22 tonight, because I can't give you an answer. Partly
23 because I don't know, and I am not in a position to
24 answer it, but I know that some water companies or
25 some districts do offer the ability to meter -- if

1 you're watering your lawn, or something like that,
2 to have it taken off the sewer. I don't know if
3 that service is available there, but perhaps that's
4 something that you could look into, installing that
5 meter so that you don't have to pay twice for water;
6 you just pay once.

7 MR. PERREA: That's a great idea. I
8 hope it's available.

9 COMMISSIONER CLAYTON: The other
10 question that I wanted to ask you was about the
11 price that you're paying right now, the 135. When
12 you say you water your yard, is that a -- do you
13 have a sprinkler system, or is that -- do you have,
14 like, just a single sprinkler that shoots the water
15 around?

16 MR. PERREA: No, I have a sprinkler
17 system.

18 COMMISSIONER CLAYTON: I see. And is
19 135 a high amount or is that a low amount that you
20 deal with during the summer months?

21 MR. PERREA: Well, this summer was
22 particularly wet here in Missouri, so this is
23 actually a pretty low bill, and we had pretty low
24 water bills this summer because of the rain.

25 COMMISSIONER CLAYTON: Okay. I don't

1 think I have any other questions, Mr. Perrea. Thank
2 you.

3 JUDGE JONES: Commissioner Jarrett.

4 COMMISSIONER JARRETT: I don't have any
5 further questions. Thank you, sir, for your
6 testimony.

7 JUDGE JONES: Any questions from the
8 parties?

9 Do we have any questions from the
10 Office of Public Counsel?

11 MS. BAKER: No, but I appreciate the
12 comments today.

13 JUDGE JONES: Staff Commission?

14 MS. HERNANDEZ: No, thank you.

15 JUDGE JONES: Missouri-American Water?

16 MR. ENGLAND: I do, Your Honor.

17 Mr. Perrea, my name is Tripp England, I
18 am an attorney for the company. Can you tell from
19 your bill how much of it is attributable to the
20 water service, the 135 that you were talking about?

21 MR. PERREA: I can give you a
22 breakdown. Customer charge for water charges is
23 8.55; usage charges are 59.72; customer charge for
24 waste water is 10.85; usage charge is 28.16. We're
25 also charged in Parkville, in this particular

1 neighborhood, for a grinder fee, which is unrelated.

2 Additionally, we pay gross receipts tax of 3.41.

3 MR. ENGLAND: Does Missouri-American or
4 the City of Parkville provide you sewer?

5 MR. PERREA: To my understanding, they
6 do, but I am not the authority there. They charge
7 me for waste water disposal, whatever that means.

8 MR. ENGLAND: Can you tell how many
9 gallons of water was used, I guess, that amounts to
10 the 59.72?

11 MR. PERREA: It looks to be 139 times
12 100. Oh, 13,900, I'm sorry.

13 MR. ENGLAND: That sounds right. Thank
14 you, sir.

15 MR. PERREA: Thank you.

16 JUDGE JONES: Okay. Thank you,
17 Mr. Perrea, you may be seated.

18 Now we will move to Warrensburg, and
19 hear from Robert Corning.

20 ROBERT HORNING,
21 being first duly sworn, testified under oath as follows:

22 JUDGE JONES: Thank you, sir. Will you
23 please state and spell your name for the record, and
24 give us your testimony.

25 MR. HORNING: Robert Horning,

1 H-o-r-n-i-n-g.

2 JUDGE JONES: You may proceed.

3 MR. HORNING: I got this rate increase
4 notice here for 26.4 percent. My wife and I are on
5 fixed incomes. I certainly do not anticipate a 26.4
6 increase in my income for next year. I definitely
7 don't even anticipate a 13 percent increase in my
8 income for next year. I am sure I am not the only
9 one that's in this position. Social Security only
10 provided 2.3 percent increase this year.

11 I think this request is way out of line
12 with the customers and the people here, and I am
13 sure I am not the only person on a fixed income
14 that's going to be affected by this.

15 JUDGE JONES: Thank you, sir.

16 Commissioner Clayton, do you have
17 questions?

18 COMMISSIONER CLAYTON: I don't have any
19 questions, Judge. Thank you very much for coming,
20 Mr. Horning.

21 JUDGE JONES: Commissioner Jarrett?

22 COMMISSIONER JARRETT: I have no
23 questions, either, Mr. Horning. Thank you for your
24 participation this evening.

25 JUDGE JONES: And from any of the

1 parties?

2 MS. HERNANDEZ: No, thank you.

3 JUDGE JONES: Mr. Horning, you may be
4 seated. Thank you.

5 Now we will hear in Parkville from Tom
6 Thomas.

7 MR. THOMAS: My name is Tom Thomas.

8 JUDGE JONES: Please raise your right
9 hand, sir.

10 TOM THOMAS,
11 being first duly sworn, testified under oath as follows:

12 JUDGE JONES: You may proceed.

13 MR. THOMAS: Part of my problem is that
14 I think that oil companies have made excessive
15 windfall profits this year, and a lot of other
16 industries have looked around and said, Why can't we
17 do that, too? And I think that's what's happening
18 right now. As the oil -- as the price of oil has
19 gone down, a lot of companies don't want to give up
20 the excess profits they are making. And as another
21 example of poor regulation by our government, our
22 mortgage debacle has come from improper regulation
23 of these industries. So, my position is, we need
24 better regulation because we don't have any --
25 anywhere else to go for our water. We buy it from

1 one company; there is no competition here.

2 I am retired, and I don't see -- as
3 inflation running less than five percent, I don't
4 see really any reason that they should get anything
5 more than five percent, if that much. I rest my
6 case.

7 JUDGE JONES: Thank you, Mr. Thomas.

8 Commissioner Clayton, do you have
9 questions?

10 COMMISSIONER CLAYTON: Mr. Thomas, I
11 don't think I have any questions. I appreciate you
12 coming out tonight.

13 JUDGE JONES: Commissioner Jarrett?

14 COMMISSIONER JARRETT: Yes. Mr.
15 Thomas, I don't have any questions, either, but I do
16 appreciate your participation this evening.

17 JUDGE JONES: Any of the parties?

18 MS. HERNANDEZ: No.

19 MS. BAKER: No, but thank you for
20 coming tonight.

21 JUDGE JONES: You may be seated.

22 And now we will move back to
23 Warrensburg and hear from Barbara Chasar.

24 BARBARA CHASAR,
25 being first duly sworn, testified under oath as follows:

1 JUDGE JONES: Will you please state and
2 spell your name, and then you may proceed.

3 MS. CHASER: My name is Barbara Chasar,
4 C-h-a-s-a-r.

5 I was wanting to read you something
6 that I had written and given a copy to the people
7 here from the Public Service Commission. It's in
8 regard to the request by the Missouri-American Water
9 Company's increase in revenue of 26.4 percent.

10 From August 11 of 2008 to August 15,
11 2008, a fire hydrant at 415 West North Street was
12 replaced, which had been leaking for at least three
13 to four weeks. During this time, a steady stream of
14 water had been running down the street. The workers
15 I spoke to called it a small leak. The
16 Missouri-American Water Company representative
17 commented that they had known about the problem but
18 had to order and wait for the part first, and that
19 Missouri-American Water Company would be paying for
20 the water that had been running down the street, not
21 the customers.

22 Then I think of the countless lawns and
23 gardens and swimming pools that could have benefited
24 from all this water which had run down the street
25 into the storm drain, how high my water and sewer

1 bill would have been if this had come out from my
2 faucet. This small leak had amounted to quite a
3 significant amount of water.

4 Now the water company is asking for a
5 26.4 percent increase in revenue or 6.36 cents a
6 month more for the average Warrensburg customer.
7 Sounds to me like the customers are paying for this
8 and other leaks. If Missouri-American Water Company
9 wants to increase their revenue, they need to start
10 using better business practices.

11 I like the comment my neighbor had
12 made. Make the water company pay us, the customer,
13 for all the water that went down that storm drain,
14 then maybe they would fix things in a more timely
15 manner.

16 In addition to what I have written, I
17 wanted to comment on -- there are many people here
18 that are living on fixed incomes, myself included.
19 And the way the water company does their business --
20 I watch Kansas City, and see a similar problem up by
21 them that had gone on so long that it created, like,
22 a two-foot wide gully down the residents' yards.
23 And I am thinking, They are very quick to come to us
24 for increase, but very slow when it comes to
25 actually repairing things.

1 I am wondering, don't they usually, in
2 the past, have included an amount from the water
3 revenue they have received to make many of the
4 repairs they are talking about in this hearing
5 today, that the money for those repairs was already
6 paid in part, if not in whole?

7 And when I think of my government check
8 that I get monthly, I am lucky if the government
9 gives me a three percent cost of living increase a
10 year. They're wanting way too much of an increase,
11 and I wonder what are the profits they are going to
12 get out of this over and above their actual costs.

13 And if the government can see to
14 limiting cost of living increases to three percent,
15 perhaps these companies need to be limited to
16 something similar, like maybe five percent. I see
17 no reason why they can't manage their money better.
18 I am forced to. I only have a certain amount per
19 month, and after that, I've been without. If they
20 can't provide the kind of quality service we need,
21 maybe some changes need to be made.

22 JUDGE JONES: Thank you, ma'am.

23 Commissioner Clayton, do you have
24 questions of Ms. Chasar?

25 COMMISSIONER CLAYTON: Thank you very

1 much, Ms. Chasar, for coming tonight. I want to ask
2 you about this fire hydrant. You said it was August
3 11 through August 15 of 2008, a fire hydrant leaked
4 down the drain; is that what your testimony was?

5 MS. CHASAR: No, that's the dates where
6 they actively repaired the leak.

7 COMMISSIONER CLAYTON: My mistake. I
8 had written down those dates. How long did it
9 actually run?

10 MS. CHASAR: At least three to four
11 weeks, most likely longer. I had lost --

12 COMMISSIONER CLAYTON: Are you -- were
13 they aware of it during this time? You are sure
14 that they were aware of it at this time it was
15 leaking?

16 MS. CHASAR: Yes. The representative
17 from the water company told me that (inaudible)
18 doing their routine hydrant checks, where they flush
19 the hydrants. And right after they had done that,
20 the fire department had done the same, and,
21 apparently, during this, something broke inside the
22 hydrant.

23 COMMISSIONER CLAYTON: So they knew --
24 when it broke, they knew about it, it wasn't like it
25 had been out there going without them knowing, I

1 suppose.

2 MS. CHASAR: Right.

3 COMMISSIONER CLAYTON: Okay. And then,
4 is it that same person that told you that they were
5 waiting on a part to fix the hydrant?

6 MS. CHASAR: Yes. There was a
7 representative that went door to door handing out
8 flyers letting us know the water would be turned
9 off.

10 COMMISSIONER CLAYTON: I see. Well,
11 let me ask you about your interaction with the
12 Missouri-American officials. Were you satisfied
13 with how they were responding to the problems?
14 Aside from them taking too long, were they helpful
15 in addressing the issue, or did you feel
16 differently?

17 MS. CHASAR: The one gentleman I spoke
18 with was very kind, very respectful. But I kind of
19 laughed when he said, It's no big deal, we're not
20 paying for it. We always pay for it one way or
21 another, the customer does.

22 THE AUDIENCE: Here, here.

23 COMMISSIONER CLAYTON: All right.
24 Well, I want to ask that you make contact with our
25 Public Service Commission staff that should be there

1 in Warrensburg, and perhaps we can get an answer on
2 what staff's position is in the case, if that is
3 even an issue, and then you can get some feedback on
4 what is happening in this case associated with
5 that -- with that cost of service. So, if you would
6 do that, we will try to see that they get back to
7 you on that issue. You follow me?

8 MS. CHASAR: Yes.

9 COMMISSIONER CLAYTON: And aside from
10 that, are you satisfied with the quality of service
11 that you receive, aside from the fire hydrant? Is
12 it drinkable, potable?

13 MS. CHASAR: Normally, yes. I am a
14 lifelong resident of Warrensburg, so I am used to
15 the water. There is an occasion where the pressure
16 is not right, or the taste is a bit off. I do know,
17 from my college years of living here, that most
18 people who move into the area from elsewhere cannot
19 stand the taste and will resort to bottled water,
20 pumping, or bringing it from their hometown, from
21 their home, from the parents', to college.

22 COMMISSIONER CLAYTON: All right.
23 Thank you very much for your testimony.

24 JUDGE JONES: Commissioner Jarrett.

25 COMMISSIONER JARRETT: Ms. Chasar, I

1 don't have any questions, but thank you for your
2 testimony, it's been very helpful.

3 MS. CHASAR: You're welcome.

4 JUDGE JONES: Any questions from the
5 parties?

6 MS. HERNANDEZ: Nothing.

7 JUDGE JONES: Okay. Ms. Chasar, you
8 may step down. Thank you.

9 MS. CHASAR: Thank you.

10 JUDGE JONES: Now we move back to
11 Parkville, and hear from Larry Dreiling.

12 LARRY DREILING,
13 being first duly sworn, testified under oath as follows:

14 MR. DREILING: My name is Larry
15 Dreiling.

16 JUDGE JONES: I'm sorry, I didn't hear
17 you.

18 MR. DREILING: Yes, I do.

19 JUDGE JONES: Oh, thank you. And could
20 you please say and spell your last name for us, and
21 give us your testimony.

22 MR. DREILING: Larry Dreiling,
23 D-r-e-i-l-i-n-g. I am a resident of Walnut Creek
24 South. My development and my home are about five
25 years old. I have noticed since about '96 to 2002 a

1 phenomenal growth in the northland area, which, to
2 me, would mean a phenomenal increase in revenues for
3 Missouri-American Water.

4 As someone had asked earlier, one of
5 the commissioners, about the quality of the water.
6 Within the five years I have lived there, I have had
7 to remove the calcium, lime, and water deposits from
8 sprayer heads and water faucets. I also have a
9 water filter system on my refrigerator that I have
10 cut open to observe what deposits are inside that
11 filter, and have found an oily, slimy substance.
12 That has concerned me to the point where I am
13 looking into a water treatment system of my own,
14 which bothers me because that's the job of
15 Missouri-American Water.

16 Also, my main concern and reason for
17 being up here this evening is the -- it may be a
18 rude comment, but the competency of the managers,
19 from a business perspective, of Missouri-American.
20 If they are struggling to keep their costs and their
21 rate increases in check in a subtle manner that they
22 have to request a 33 percent increase, what kind of
23 guarantee or what level of confidence do you expect
24 to have us in you that you won't want to raise our
25 rates as drastically again in a short time? And

1 that's, essentially, my primary concern.

2 JUDGE JONES: Thank you, sir.

3 Commissioner Clayton, do you have
4 questions?

5 COMMISSIONER CLAYTON: Mr. Dreiling,
6 have you reported the issues with the calcium, lime,
7 and other deposits in your water fixture to the
8 company?

9 MR. DREILING: No. I think you're
10 smart enough to know that that is just an output of
11 your product. It's something that you're probably
12 going to hide behind government regulations, saying
13 that you meet their requirements as required by
14 federal guidelines. I get those quarterly reports,
15 where you proudly state that you do meet those
16 requirements. So, I don't feel, with any
17 confidence, that that would be addressed in any
18 manner; that it would reduce impurity that I have in
19 my water.

20 COMMISSIONER CLAYTON: So you haven't
21 reported it to the company?

22 MR. DREILING: No.

23 COMMISSIONER CLAYTON: Is that a no?

24 MR. DREILING: No. Again, because like
25 I say, according to your statements, in the

1 quarterly report I get, you meet the federal
2 guidelines. So, I don't see where I would get
3 anything other than that same comment if I reported
4 it.

5 COMMISSIONER JARRETT: Mr. Dreiling, I
6 don't have any questions tonight. We thank you for
7 your comments.

8 MR. DREILING: Sure.

9 JUDGE JONES: Do we have questions from
10 the parties?

11 MS. HERNANDEZ: No.

12 JUDGE JONES: Okay. Mr. Dreiling, you
13 may be seated. Thank you for your comments.

14 LADY IN WARRENSBURG: Judge, this is
15 Warrensburg.

16 JUDGE JONES: Yes.

17 LADY IN WARRENSBURG: I do believe we
18 have a few more people who have signed up, now.

19 JUDGE JONES: Okay. I will come back
20 to Warrensburg after we finish the list in
21 Parkville.

22 LADY IN WARRENSBURG: All right. Thank
23 you.

24 JUDGE JONES: We will now hear from
25 Brian Guthrie, please. Mr. Guthrie, could you

1 approach the podium.

2 BRIAN GUTHRIE,

3 being first duly sworn, testified under oath as follows:

4 JUDGE JONES: Okay. Thank you. Could
5 you please spell your name and go ahead and give us
6 your statement, please.

7 MR. GUTHRIE: My name is Brian Guthrie,
8 it's Brian with an I, last name is Guthrie,
9 G-u-t-h-r-i-e.

10 It wasn't that long ago when I was an
11 apartment renter. And the American dream, owning a
12 house, and everybody thought it was so great. Well,
13 I travel around, playing a lot of baseball, and, you
14 know, I could go home. When I got tired of living
15 where I was living, I'd just pack up and move. And
16 it was -- you know, I didn't have to pay water. And
17 even towards the end, I would have to pay a small
18 amount for the water bill, and it wasn't that much.

19 So, with all my friends and everybody
20 moving off and getting married, buying houses, Oh,
21 it's great, do this, do that. So, I decided to go
22 out and buy a home. I am a proud homeowner now; I
23 have been in there the last, almost, five years now.
24 It's almost, with the way the economy is right now,
25 everything going up, fuel price, water prices, gas

1 prices, everything else, it's almost easier to go
2 back to apartment living. The realty market is in
3 jinx right now. You cannot, you know, sell your
4 home if you wanted to. And I look around the room,
5 and I see faces of distraught people that are tired
6 of paying these. First it was gas, and everybody
7 else follows.

8 I am thinking, if Wal-Mart would raise
9 their prices 33-and-a-third percent, we, as a
10 community, would probably go somewhere else and
11 shop. But in the water industry, we don't have that
12 option. We can't go anywhere else and shop for
13 water.

14 You know, being as frustrated as I am,
15 and -- again, I apologize for not being more
16 prepared for this, because I didn't expect to come
17 up here. I kind of wanted to come down and hear
18 what you guys had to say; I wasn't prepared to
19 speak. I would have had my numbers in order if I
20 would have.

21 But I do know that the customer service
22 for American Water I have dealt with, and it's kind
23 of hit-and-miss with that. The problems I have had,
24 I have done construction around my house, I had the
25 water shut off, and when I call them back to come

1 get it on, they couldn't get anybody out there. It
2 was a week day, it was after -- it was, like, 3:30,
3 and they were too busy to come out. And it was a
4 Friday, so I was afraid I wouldn't get my water
5 turned back on for a whole weekend just because I
6 had it shut off for a few hours to do some work at
7 my house. And the lady I talked to was, you know,
8 fairly -- fairly nice.

9 But today's society, other companies
10 have competition, where you have to actually be nice
11 to the customer. We have lost sight of that in
12 today's world, where competition is not here for
13 American Water. But in other realms, say,
14 industries like, say, maybe, Time Warner, AT&T, all
15 these companies, there's so much competition out
16 there that they have to keep their rates low. Well,
17 maybe we should get some more competition in here
18 for water bills where we could actually keep our
19 rate low. Thirty-three-and-a-third percent increase
20 is just crazy to me, and I think a lot of people
21 here agree with me on that.

22 THE AUDIENCE: Here, here.

23 MR. GUTHRIE: Also, they have a website
24 service that they actually make us pay more money if
25 we do a wire transfer through our ATM or debit

1 cards. To me, that's simple. I mean, they are
2 paying a third party to run their website. It's not
3 very simple, you have to have your paper in front of
4 you. You're not even sure if it's going to your
5 bill or not, because you have to enter your name,
6 address, and where it goes. You have a receipt,
7 but --

8 And I do not drink water, I will state
9 that. If anybody in here has ever drank bottled
10 water for numerous years, which I have, and you go
11 back to tap water, it's not good stuff. And the
12 whole time in the last five years I have lived on
13 American Water District, and today, I can't -- I
14 just can't drink it. It's just not -- it tastes,
15 there's a slight smell.

16 I live in Riverside, and the water
17 pressure in my neighborhood is not very good. I can
18 run one -- if I do choose to water my lawn, which I
19 know that I will not be doing anymore, I can run one
20 water sprinkler. And if I try to -- and these are
21 just the ones you go to Wal-Mart, K-Mart, and buy,
22 the small ones. It will run one, and if you turn
23 that one on, it will barely even go. We have
24 addressed that. My neighbors had the same comment.

25 My other neighbors were here tonight,

1 they had to leave to pick up their grandson, but
2 their water pressure is low, as well, and they can't
3 seem to get it fixed.

4 And I wanted to thank you guys,
5 everybody in the room, and Warrensburg, for showing
6 up tonight, as well. I do agree with the earlier
7 speaker, that it takes more of that in your
8 community to make it strong, and I appreciate that.

9 And, Judge, and Commissioners, and
10 everybody, thank you for listening to us. That's
11 all I have.

12 JUDGE JONES: Thank you.

13 COMMISSIONER CLAYTON: Thank you,
14 Judge.

15 Good evening, Mr. Guthrie. Can you
16 hear me?

17 MR. GUTHRIE: Yes, I can.

18 COMMISSIONER CLAYTON: I just want to
19 ask you -- first of all, you said a mouthful, there,
20 and I appreciate your comments. You're saying a lot
21 things. I want to focus in on -- you said that you
22 won't drink the water or you don't prefer to drink
23 the water, and I wanted to know why. I mean, is it
24 a preference, or do you think it's not drinkable, or
25 is there a problem with it?

1 MR. GUTHRIE: Well, since I have been
2 in my home, and it's a brand new home when I moved
3 in, and it just -- the taste, to me, it -- I was
4 raised on a farm in Kansas, so I am used to drinking
5 tap water. And just traveling around, and
6 everything I have done, I've drank tap water, but
7 for some reason I just did not like the taste and
8 the aroma of the water in my home. And I've tried
9 it in all my neighbors -- we live in a cul-de-sac, a
10 real close knit community -- I would not -- all the
11 houses taste the same to me.

12 And once you do drink bottled water, or
13 something like that, you'll get -- it's kind of like
14 being around a smell for a while, you just get
15 accustomed to it. And, to me, I don't like the
16 smell and the taste of tap water. And I am not just
17 directly pointing this at American Water, it's just
18 all around, tap water in general.

19 COMMISSIONER CLAYTON: Just tap water
20 in general?

21 MR. GUTHRIE: Yes, sir. And also --

22 COMMISSIONER CLAYTON: Did you drink
23 water out of the tap in your apartment when you
24 lived in that other apartment?

25 MR. GUTHRIE: Yes, I did.

1 COMMISSIONER CLAYTON: You did?

2 MR. GUTHRIE: Yes, I did.

3 COMMISSIONER CLAYTON: So, basically,
4 you have a preference for bottled water. My wife is
5 the same way; she won't drink it out of the tap.
6 And her taste is so refined that she only drinks a
7 particular brand of bottled water.

8 MR. GUTHRIE: Well, I am not quite that
9 picky, but, yeah, I can understand her view.

10 COMMISSIONER CLAYTON: It's terrible,
11 but don't tell her I said that.

12 JUDGE JONES: Commissioner Jarrett.

13 COMMISSIONER JARRETT: I don't have any
14 questions, Mr. Guthrie. Thank you very much for
15 your testimony.

16 MR. GUTHRIE: Okay. If I can say one
17 more thing. The gentleman before me was talking
18 about lime deposits on the faucets, and I also have
19 the same thing in my house, so that's another reason
20 why I wouldn't drink it, too.

21 JUDGE JONES: Any questions from any of
22 the parties?

23 MS. HERNANDEZ: No, thank you.

24 JUDGE JONES: Okay. Hearing none,
25 then, thank you, Mr. Guthrie, for your comments.

1 You may be seated.

2 MR. GUTHRIE: Thank you.

3 JUDGE JONES: Next we'll hear from
4 Virginia Ground.

5 VIRGINIA GROUND,
6 being first duly sworn, testified under oath as follows:

7 JUDGE JONES: Thank you. Could you
8 please spell your name for us, and give us your
9 testimony.

10 MS. GROUND: My name is Virginia
11 Ground, G-r-o-u-n-d. I am a landlord in Parkville,
12 and I have six water bills to pay each month. So,
13 of course, I am opposed to this rate. I am opposed
14 to this increase; it's just too much. When we think
15 of the price of gas for heating, and electricity,
16 and the groceries, and the gasoline, have all gone
17 sky high. And there are so many unemployed people
18 that it's outrageous to even think about this raise
19 at this time. It makes me wonder, if this raise
20 goes through, if there is going to be a raise for
21 some of the top executives of the Missouri-American
22 Water Company.

23 THE AUDIENCE: Here, here.

24 MS. GROUND: But I mainly want to take
25 this opportunity tonight to talk about the poor

1 quality of the office workers in the main office of
2 the Missouri-American Water Company.

3 I mail my water bills in the same
4 envelope. And innumerable times, one of those
5 checks has been lost. And I will call, and they
6 will say, Well, we didn't get it. I will say, Well,
7 I mailed it with the others in the same envelope, so
8 you better start looking for it, but to no avail. I
9 have to send another check. I don't dare write one
10 check for two accounts because, if I do, even though
11 I have the two account numbers on the check, it is
12 posted to one account, and I get an overdue notice
13 for the other account.

14 And one time when I got an overdue
15 notice, I spoke to a lady and didn't get any
16 satisfaction from her, so I said, I want to speak to
17 your supervisor. And I told him that that check was
18 mailed with the others in the same envelope, and if
19 somebody put it in the waste basket, I can't help
20 it. And he said, Well, those envelopes are not
21 opened by human hand, they are opened by a machine.
22 And he said, Well, I will give you 30 days for you
23 to get this settled. Okay. Then I got another
24 bill, and the account was overdue. I am sure it was
25 overdue because the check for it, even though I had

1 the number written on it, was posted to another
2 account. That account had two checks posted, so,
3 therefore, I had a credit in one and overdue in the
4 other. And this happens all the time.

5 I don't know if they employ people who
6 have no education, or people just don't care any
7 more, or if the whole bunch is on drugs.

8 THE AUDIENCE: Here, here.

9 JUDGE JONES: Thank you, Mrs. Ground.
10 I appreciate your testimony. Mr. Clayton.

11 COMMISSIONER CLAYTON: Ma'am, I don't
12 have any questions, but thank you for your
13 testimony. I appreciate it.

14 JUDGE JONES: Questions from any of the
15 parties?

16 Thank you, ma'am. You may be seated.

17 Mr. John Smedley of Parkville.

18 JOHN SMEDLEY,
19 being first duly sworn, testified under oath as follows:

20 JUDGE JONES: Thank you, sir. Will you
21 please spell your name for the court reporter, and
22 give us your testimony.

23 MR. SMEDLEY: My name is John Smedley;
24 John as it sounds, S-m-e-d-l-e-y.

25 I am the mayor of the City of Platte

1 Woods, which is one of the customers of
2 Missouri-American Water, and also have fellow
3 compatriots, as I am the chairman of the Platte
4 County Mayors and Elected Officials Council. And we
5 are utterly opposed against the frequency and the
6 magnitude of the rates that we keep getting on our
7 water services. Not to repeat, everybody's aware of
8 how often they have been and what the percentages
9 have been, but our communities, which are served by
10 Missouri-American, are retirees from the airline
11 industry. And with what's going on at the American
12 Airlines base that most of our residents are members
13 of, we have got 800 people that are now going to be
14 unemployed. We think that these rates are really
15 out of line with what's going on.

16 As a mayor, we try to run a city, and
17 we just came off a challenge of a 45 percent real
18 estate and property tax increase, we just come off
19 of increases from the City of Kansas City, Missouri,
20 where we get our sewers from that we are having to
21 challenge, and we just set our levy. And because of
22 these increases, we are eating those costs as a city
23 because we can't afford our residents to have to pay
24 on to those.

25 And we have got other jurisdictions,

1 like school districts, that are lowering their levy.
2 So, we see that other entities are able to operate
3 at much lower increases, and we feel that that's
4 more in line with something that should be looked at
5 by the Commission and by Your Honor.

6 JUDGE JONES: Thank you, Mr. Smedley.
7 Commissioner Jarrett, do you have
8 questions?

9 COMMISSIONER JARRETT: Mr. Smedley, I
10 don't have any questions, but I do appreciate your
11 testimony tonight. It's been very helpful.

12 JUDGE JONES: Questions from the
13 parties?

14 MS. HERNANDEZ: No, thank you.

15 JUDGE JONES: Okay. Hearing none,
16 Mr. Smedley, you may be seated. Thank you for your
17 statements.

18 MR. SMEDLEY: Thank you.

19 JUDGE JONES: And now we will go back
20 to Warrensburg, where we have additional testimony.
21 Can you please direct the first person to the
22 podium, please.

23 MS. KREMER: Judge, we had Mike Fuller,
24 who had signed up in Parkville, and I think we may
25 have skipped him.

1 JUDGE JONES: Mike Fuller?

2 MS. KREMER: Yes, sir.

3 JUDGE JONES: Signed up in Parkville?

4 MS. KREMER: Yes. He was our -- I
5 think he was --

6 JUDGE JONES: I thought you scratched
7 him off the list.

8 MS. KREMER: I'm sorry, I did scratch
9 off Mr. Wheeler, but is Mike Fuller still here.
10 Would you like to come, sir? If that's okay, Judge.

11 JUDGE JONES: Yes, that's fine.

12 MIKE FULLER,
13 being first duly sworn, testified under oath as follows:

14 JUDGE JONES: Could you please spell
15 your name and give us your testimony, please.

16 MR. FULLER: Mike Fuller, F-u-l-l-e-r.
17 I am from Riverside, Missouri. I brought with me a
18 statement I have been given that was prepared from
19 the staff of Riverside. I am on the board down
20 there, so they have asked me to read it here. So,
21 if that's okay, I will go ahead and do that for the
22 record.

23 The City of Riverside has an interest
24 in appropriate rates for service its citizens and
25 businesses receive from the Missouri-American Water

1 Company, and that the rates be appropriately based
2 on the actual cost of service. We agree that a
3 company should be compensated for the reasonable
4 cost of providing services, and we agree that should
5 be a fundamental starting point for the design of
6 rates. We also believe that similarly situated
7 customers in the same district should pay the same
8 rate. We have a concern that rates proposed by the
9 MAWC and the staff of the Missouri Public Service
10 Commission may vary substantially from what the cost
11 of doing business really is, and that the
12 differential between classes has not been
13 sufficiently examined.

14 In the Parkville district, the last two
15 rate cases and rates have been set equal for all
16 customer classes. We would ask the Commission to
17 continue the policy of equal rates among the classes
18 in Parkville district, and/or go to a single class
19 single rate. We would ask the Commission to deny
20 the rate increase request by the MAWC, and the rate
21 increase suggested by staff, and would request that
22 the rates continue in the same manner as this
23 Commission decided just over a year ago.

24 And that would be the statement.

25 JUDGE JONES: Thank you, sir.

1 MR. FULLER: That's pretty much what I
2 have. I can answer any questions.

3 JUDGE JONES: Commissioner Jarrett, do
4 you have any questions?

5 COMMISSIONER JARRETT: Yes. Mr.
6 Fuller, no questions, but thank you for your
7 testimony.

8 MR. FULLER: Okay.

9 JUDGE JONES: Do we have questions from
10 any of the parties?

11 MS. HERNANDEZ: Nothing.

12 JUDGE JONES: Okay. Let's move --
13 thank you, Mr. Fuller.

14 MR. FULLER: Okay. Well, then, I have
15 one more thing, then, since you didn't ask what my
16 water pressure was. I'd like to put that in, that
17 we've had numerous complaints in our neighborhood
18 about water pressure. And so much, to the effect
19 that it has affected our firefighters' ability to
20 fight fires in our community. We, in Riverside,
21 have purchased, at great expense, a pumper truck to
22 bring the water pressure up for fire fighting.
23 We've had three houses that have burned to the
24 ground in Riverside, and some of it was contributed
25 to lack of water pressure.

1 Being on the board down in Riverside,
2 we pressed our city managers in regard to this, and
3 the lawyers that represent the City, and they
4 indicated to me that American Water was not
5 responsible for bringing a certain water pressure
6 for fighting fire, but only, since we have accepted
7 the level of water for a number of years, that is
8 their only obligation.

9 I would like to see that American Water
10 work in our communities to bring pressure to all our
11 citizens for watering their yard, whatever they want
12 to choose to do with their water. We are the
13 customers. I would like to see them work towards
14 working in our community for every citizen.

15 And that will do it. Thanks.

16 JUDGE JONES: Okay. With regard to
17 that, Commissioner Jarrett, do you have any
18 questions?

19 COMMISSIONER JARRETT: I have no
20 questions. But, Mr. Fuller, you might speak with
21 our Commission staff there about that, and give them
22 more details you can provide to them.

23 MR. FULLER: I certainly will.

24 JUDGE JONES: Any questions from the
25 parties?

1 MS. HERNANDEZ: No, thank you.

2 JUDGE JONES: Thank you, Mr. Fuller,
3 you may be seated.

4 And now we will move to Warrensburg.
5 Who do we have there at the microphone?

6 MR. NIMMER: My name is Don Nimmer,
7 N-i-m-m-e-r.

8 JUDGE JONES: Thank you, Mr. Nimmer.
9 Could you please raise your right hand.

10 DON NIMMER,
11 being first duly sworn, testified under oath as follows:

12 JUDGE JONES: Thank you. You may
13 proceed, sir.

14 MR. NIMMER: I would like to speak to
15 you on two different matters, if I may. One is as a
16 resident of the City of Warrensburg. I have been a
17 resident here for 29 years. I truly admit that the
18 water quality has improved greatly during those 29
19 years. The points that someone has raised earlier
20 about the aroma and taste, while it may still be
21 there, it's far less than what it used to be 29
22 years ago. So I think we have seen some
23 improvements.

24 My other comments I would like to raise
25 comes from the fact that I am a member of the

1 Warrensburg City Council, and I have been on the
2 city council for four and a half years thus far.
3 During the past two or three years, the staff of the
4 Missouri-American Water Company has invited the
5 members of the city council, the press, and elected
6 officials, other elected officials in the area, to
7 join their staff for a meeting. And during that
8 meeting, they will attempt to describe the various
9 improvements to infrastructure they have planned,
10 and use that as a basis for trying to justify the
11 rate increases that they would have.

12 And I can't remember exactly how many
13 of those I have attended over four and a half years,
14 it's either two or three. This year we did not have
15 one. We all understand that infrastructure changes
16 have to be made. We've had water pressure issues
17 over the years, but they have been improved by the
18 replacement of water mains. And we found a lot of
19 infrastructure changes have been made, and we've
20 willingly gone along with the rate increases that
21 were needed to pay for those changes to the
22 infrastructure.

23 This year we did not have such a
24 meeting. And the rate we received -- the proposed
25 rate of nearly 29 percent is much larger than what

1 we had seen proposed in the years past. The
2 justification that was provided on the fact sheets
3 that we had received tonight identify the changes in
4 infrastructure from June 2007 to September 2008;
5 there's several of them there. Those were used in
6 the planning process during the meetings last year
7 and the year before to identify why they needed the
8 rate increase for this year and the year before, and
9 so forth. So, as far as I am concerned, we have
10 already paid for those. They were used in the
11 (inaudible) to obtain enough money to put in these
12 changes to the infrastructure.

13 I don't see any proposals, here, for
14 things that are going to happen after September 2008
15 that will justify why we would have such a large
16 increase of nearly 29 percent. The increases we
17 have had in the past have been double digit; I don't
18 recall the numbers. I attempted to get those
19 numbers, but do not have them for your
20 consideration.

21 So, I am concerned by the fact that,
22 one, we have not been, as an elected official, been
23 informed about this rate increase, other than the
24 fact that I received in it in my water bill like
25 everyone else did.

1 Two, I don't know of a justification
2 that we have for it as far as charges to
3 infrastructure as we've had in the past. Those have
4 already been considered for the current increases.

5 Third, I am very much in agreement with
6 the mayor from Parkville, I believe it was, that was
7 speaking earlier, when he talked about the frequency
8 and magnitude of these raises. We understand that
9 when it's for our infrastructure, we ought to pay
10 for it. But, my goodness, that's a very large
11 raise.

12 If you are not familiar with
13 Warrensburg, our population consists of a great
14 number of students, retirees, military folks, in
15 addition to the other demographics you find in a
16 community this size. But we do have a large
17 percentage of people who have limited funds, and 29
18 percent, or nearly 29 percent, is a huge chunk,
19 without, what I feel, to be justification for
20 changes to infrastructure.

21 Those are my comments.

22 JUDGE JONES: Thank you, Mr. Nimmer.
23 Do you have questions, Commissioner Clayton?

24 COMMISSIONER CLAYTON: I do have not
25 have questions. Thank you very much for coming.

1 JUDGE JONES: Commissioner Jarrett.

2 COMMISSIONER JARRETT: Mr. Nimmer,
3 thank you for your comments. Someone who was in
4 college in Warrensburg 29 years ago, I can attest
5 that the water took some getting used to. So, I am
6 glad to hear it's a lot better.

7 JUDGE JONES: Any questions from the
8 parties?

9 MS. HERNANDEZ: No, thank you.

10 JUDGE JONES: Thank you, Mr. Nimmer.
11 You may be seated.

12 Could staff please direct the next
13 witness to the podium, please.

14 MS. CAMPBELL: Good evening. My name
15 is Jeannie Campbell, C-a-m-p-b-e-l-l.

16 JEANNIE CAMPBELL,
17 being first duly sworn, testified under oath as follows:

18 JUDGE JONES: Thank you, ma'am. You
19 may proceed.

20 MS. CAMPBELL: I am addressing this
21 panel as a resident of Warrensburg, along with a
22 business operator of Warrensburg. I have been a
23 resident of Warrensburg for 44 years, and I also own
24 rental property in town. But my real issue is as a
25 business owner. I operate -- run and operate a

1 nursing center in Warrensburg. My office bill was
2 \$3,219.90. 29 percent of that would raise the bill
3 \$933.77; thus, my bill would have been 4,153.67.
4 That is astronomical.

5 Now, if KPL gets their way and they
6 raise theirs 17.5, I am looking at, almost, a 50
7 percent increase in two utilities only. Do you know
8 what happens with that increase? I have to make
9 ends meet. That will be passed on to the consumer.
10 I understand that when the rates come, taxes and/or
11 utilities, it's a negative thought. I am not
12 totally opposed to raising it a percentage, but,
13 good grief.

14 I have a lot of people who are on fixed
15 incomes that come visit, that become residents.
16 They are on Medicaid. Their Medicaid, their Social
17 Security, is not going up to meet this rate. They
18 ask all the time, What are we going to do? What do
19 we do? I have no answers for them. But I do know
20 that they are struggling to buy medications. Even
21 though there's Medicare, there's some major changes
22 coming in that, too.

23 People need to pay attention to the
24 individuals on fixed incomes, the young people, and
25 people that are running business -- service business

1 to take care of the elderly.

2 At this point, that is all I have to
3 say, but I wish you would think about this properly
4 before you make a judgment.

5 JUDGE JONES: Thank you, Mrs. Campbell.
6 Commissioner Clayton, do you have
7 questions?

8 COMMISSIONER CLAYTON: I just wanted to
9 say thank you very much for coming, Mrs. Campbell.
10 I don't have any questions.

11 JUDGE JONES: Commissioner Jarrett?

12 COMMISSIONER JARRETT: No questions,
13 Mrs. Campbell, but thank you for your comments.

14 JUDGE JONES: Any questions from any of
15 the parties?

16 MS. HERNANDEZ: No, thank you.

17 JUDGE JONES: Okay. Mrs. Campbell, you
18 may step down. Thank you.

19 And can staff please direct the next
20 person on the list to the microphone.

21 MR. RUSSO: Judge, that's all we have
22 here in Warrensburg.

23 JUDGE JONES: Okay, thank you. Is
24 there anyone else in Parkville who has not
25 testified, who wishes to do so?

1 Okay. I don't see anyone. With that,
2 then, we will conclude this local public hearing.

3 And the Commission would like to thank
4 you all for participating and for your comments.

5 Thank you. Goodnight.

6 (The proceedings concluded at 8:00
7 p.m.)

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2 STATE OF MISSOURI

3 COUNTY OF PLATTE

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